



**berger piepers**  
CHARTERED ACCOUNTANTS

**Partners**  
P A Berger B Com FCA  
W J Piepers FCA  
T D Millard B Com CA

**Associates**  
T Costa B Bus CA  
C Legh B Com CA

## **ANIMAL WELFARE LEAGUE NSW**

### **FINANCIAL REPORT**

**FOR THE YEAR ENDED  
30 JUNE 2015**



Summit House 286 High Street (PO Box 999) Penrith NSW 2751

**Telephone (02) 4721 8552** Facsimile (02) 4731 4469

[www.bergerpiepers.com.au](http://www.bergerpiepers.com.au) Email: [bp@bergerpiepers.com.au](mailto:bp@bergerpiepers.com.au)

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## DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2015.

### 1. DIRECTORS

The names of the directors in office during the year and at the date of this report and their attendances at full board and other meetings held during the year were as follows:

	Board Meetings Held	Board Meetings Attended
Alan John Colling	13	13
Melissa Pemberton (Appointed 12 November 2014)	8	7
Sarita Verma (Appointed 12 November 2014)	8	7
Glynis Boobyer (Appointed 12 November 2014)	8	8
Joan Pearson OAM (Appointed 12 November 2014)	8	7
Christine Richardson (Appointed 12 November 2014)	8	8
Audrey McGeown (Appointed 12 November 2014)	8	8
Alex Ottaway (Resigned 29 September 2015)	13	8
Carol McKeag (Appointed 12 November 2014) (Resigned 28 July 2015)	8	7
Geoffrey Drummond (Resigned 12 November 2014)	5	3
Naomi Sharp (Resigned 12 November 2014)	5	4
Emma Hurst (Resigned 12 November 2014)	5	5
Rebekah Lam (Appointed 14 August 2014) (Resigned 12 November 2014)	4	4
Kristine Edwards (Appointed 14 August 2014) (Resigned 12 November 2014)	4	4
Carol Bellenger (Appointed 14 August 2014) (Resigned 12 November 2014)	4	4
Jamie Sims (Appointed 14 August 2014) (Resigned 12 November 2014)	4	3
Penelope Wass (Resigned 10 August 2014)	-	-
Robert Sheldon (Resigned 10 August 2014)	-	-
Dr Ralph Howard (Resigned 16 July 2014)	-	-

### 2. PRINCIPAL ACTIVITIES AND OBJECTIVES OF THE COMPANY

#### (a) Principal activities

The company's principal activities during the year were:

- To promote and advance the welfare of companion animals;
- To provide shelter and care for neglected and abandoned companion animals;
- To prevent and prosecute cruelty to animals via our Inspectorate;
- To provide veterinary care to injured and sick animals;
- To promote the desexing of pets; and
- To rehabilitate and rehome animals that come into our care.

All company activities are directed towards achieving company objectives.

## DIRECTORS' REPORT

### 2. PRINCIPAL ACTIVITIES AND OBJECTIVES OF THE COMPANY (continued)

#### (b) Short-term objectives of the company

The short term objectives of the company are:

- To increase adoptions via our shelters, branches and partners (vet clinics, pet shops);
- To reduce unwanted litters of puppies and kittens by promoting and facilitating desexing;
- To reduce the euthanasia of animals in our care;
- To provide veterinary assistance to pet owners facing financial difficulty; and
- To provide prompt and caring support to animals subjected to neglect or cruelty.

#### (c) Long-term objectives of the company

The long term objectives of the company are:

- To improve the legislative and regulatory environment for all animals;
- To identify and investigate humane options for addressing the issue of kittens born to free-roaming cats;
- To promote and encourage the desexing of pets;
- To improve the image of rescue pets within the community and broaden the public's understanding of the issues which lead to pets being surrendered or abandoned; and
- To facilitate the education of pet owners to encourage socially responsible pet ownership.

#### (d) Strategies for achieving objectives

The company's strategies for achieving the above objectives are:

##### *Short-term*

- Pursue the goals of the Getting To Zero Euthanasia initiative and improve community understanding of those goals;
- Continue to improve behavioural and veterinary support for our animals and develop ongoing environmental enrichment initiatives within our shelters;
- Utilise our volunteer branches to expand the desexing and rehoming work undertaken in their regions;
- Utilise AWL's status as an advisor to Government to advocate for positive change in the legislative and regulatory environment affecting all animals;
- Promote foster care as a way for the community to support companion animals in need;
- Pursue fundraising and advocacy campaigns to increase support for AWL within the community; and
- Pursue cooperative partnerships with organisations and stakeholders aligned with our values.

##### *Long-term*

- Work with Government, industry and not-for-profit partners to educate pet owners and the broader community;
- Establish AWL as the best-practice operator of sheltering, rehoming and shelter medicine in NSW;

## DIRECTORS' REPORT

### 2. PRINCIPAL ACTIVITIES AND OBJECTIVES OF THE COMPANY (continued)

#### (d) Strategies for achieving objectives (continued)

- Promote desexing of companion animals through both public education and through government regulation; and
- Work with partners providing legal support to prosecute all cruelty cases to the full extent permissible under the law.

#### (e) Measurement of performance

The company measures its performance by:

- Increase, year on year, in the number of animals rehomed from our shelters and branches;
- Reduction, year on year, of the number of healthy companion animals euthanised by our shelters;
- Increase, year on year, in the number of animals desexed by our veterinary clinic and with the assistance of our branches; and
- Continued development of amendment of legislation and regulations affecting animal welfare.

### 3. TRADING RESULTS

The net profit of the company for the year after providing for an income tax expense of \$Nil (2014: \$Nil) was \$1,865,215 (2014: \$1,852,894). This result was achieved after recording a gain on the revaluation of land and buildings of \$1,450,195 (2014: \$Nil) and an expense for prior year salary, wage and superannuation adjustments of \$150,000 (2014: \$Nil).

### 4. DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends, as the Company is prohibited from paying dividends by its Constitution.

### 5. DIRECTORS' REMUNERATION

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the director or with a company in which they have a substantial financial interest, except as detailed in Note 13 – Director Information.

### 6. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found following this report.

### 7. INFORMATION ON DIRECTORS

The directors in office at the date of this report and their relevant qualifications are as follows:

Alan John Colling	Qualifications: Industrial Engineer Experience: Production engineer for over 20 years. Manager of Optometrist practice Board member since 2006
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DIRECTORS' REPORT

7. INFORMATION ON DIRECTORS (continued)

- |                      |   |
|----------------------|---|
| Melissa Pemberton    | Qualifications: Diploma in Business (Marketing) and a Diploma in Business (Tourism)<br>Experience: Small business owner/director. Sales and marketing as well as recruitment and tourism<br>Appointed 12 November 2014  |
| Sarita Verma         | Qualifications: Bachelor of Commerce, Business Management from London Chamber of Commerce<br>Experience: Executive Assistant. 35 years corporate experience in Governance and Company Secretarial matters<br>Appointed 12 November 2014   |
| Glynis Boobyer       | Qualifications: Corporate communications and branding<br>Experience: Corporate communications and branding. A lifetime of dedication to animal welfare issues, volunteering for the RSPCA in UK from an early age<br>Appointed 12 November 2014   |
| Joan Pearson OAM     | Qualifications: Bachelor of Arts<br>Experience: Director of 3 companies over the past 40 years. OAM for animal charity fundraising<br>Appointed 12 November 2014  |
| Christine Richardson | Qualifications: Registered Nurse<br>Experience: Semi-retired and partner in husband's medical practice. Medical centre Practice Manager and ultrasonographer<br>Appointed 12 November 2014  |
| Audrey McGeown       | Qualifications: Diploma in Business Administration, currently studying Cert IV in WHS<br>Experience: Worked for four Civil Construction companies overseeing Business Administration and WHS (over 20 years experience). Manager of a retail shop for 8 years winning 3 Business Awards<br>Appointed 12 November 2014 |

For and on behalf of the board



Director  
5 November 2015  
Sydney NSW



Director



# berger piepers

## CHARTERED ACCOUNTANTS

Partners  
P A Berger B Com FCA  
W J Piepers FCA  
T D Millard B Com CA

Associates  
T Costa B Bus CA  
C Leigh B Com CA

AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF  
ANIMAL WELFARE LEAGUE NSW  
(a company limited by guarantee)  
A.C.N. 000 533 086

I declare that, to the best of my knowledge and belief, in relation to the audit of Animal Welfare League NSW for the year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; or
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**berger piepers**  
Chartered Accountants

**WJ Piepers**  
Partner

5 November 2015  
Penrith



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## CHARTERED ACCOUNTANTS

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ANIMAL WELFARE LEAGUE NSW**  
(a company limited by guarantee)  
A.C.N. 000 533 086

**Partners**  
P A Berger B Com FCA  
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### SCOPE

#### **Report on the financial report**

We have audited the accompanying financial report of Animal Welfare League NSW, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on schedules 1 to 6. In addition, we have audited Animal Welfare League NSW's compliance with specific requirements of the Charitable Fundraising Act 1991 for the year ended 30 June 2015

#### **Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for compliance with the Charitable Fundraising Act 1991. This responsibility includes establishing and maintaining internal controls relevant to compliance with the Charitable Fundraising Act 1991 and the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit and on the company's compliance with specific requirements of the Charitable Fundraising Act 1991. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement and has complied with specific requirements of the Charitable Fundraising Act 1991.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



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**Auditor's responsibility (continued)**

Due to the inherent limitations of any compliance procedure, it is possible that fraud or error, or non-compliance with the Charitable Fundraising Act 1991, may occur and not be detected. An audit is not designed to detect all weaknesses as it is not performed continuously throughout the year and testing is performed on a sample basis.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENCE**

In conducting our audit, we have met the independence requirements of the Corporations Act 2001.

**AUDITOR'S OPINION**

In our opinion:

- (a) the financial report of Animal Welfare League NSW is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of Animal Welfare League NSW as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
- (b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (c) the financial report agrees to the underlying financial records of Animal Welfare League NSW, that have been maintained in accordance with the Charitable Fundraising Act 1991 and its regulations for the year ended 30 June 2015; and
- (d) monies received by Animal Welfare League NSW, as a result of fundraising appeals conducted during the year ended 30 June 2015, have been accounted for and applied in accordance with the Charitable Fundraising Act 1991 and its regulations.



**berger piepers**  
Chartered Accountants



WJ Piepers  
Partner

5 November 2015  
Penrith NSW

ANIMAL WELFARE LEAGUE NSW  
(a company limited by guarantee)  
A.C.N. 000 533 086

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash assets	5	720,282	761,661
Trade and other receivables	6	153,116	120,823
Inventories	7	-	31,722
Other financial assets	8	6,496,269	5,093,154
<b>TOTAL CURRENT ASSETS</b>		<b>7,369,667</b>	<b>6,007,360</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	9,756,348	5,584,873
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,756,348</b>	<b>5,584,873</b>
<b>TOTAL ASSETS</b>		<b>17,126,015</b>	<b>11,592,233</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	451,401	465,953
Provisions	11	473,054	179,505
<b>TOTAL CURRENT LIABILITIES</b>		<b>924,455</b>	<b>645,458</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	62,847	44,795
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>62,847</b>	<b>44,795</b>
<b>TOTAL LIABILITIES</b>		<b>987,302</b>	<b>690,253</b>
<b>NET ASSETS</b>		<b>16,138,713</b>	<b>10,901,980</b>
<b>MEMBERS' EQUITY</b>			
Reserves	12	3,379,084	7,566
Retained profits		12,759,629	10,894,414
<b>TOTAL MEMBERS' EQUITY</b>		<b>16,138,713</b>	<b>10,901,980</b>

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW  
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## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 \$	2014 \$
REVENUE			
Operating income	3(a)	5,970,086	7,550,175
Finance income	3(b)	189,051	129,743
Other income	3(c)	<u>1,364</u>	<u>24,503</u>
TOTAL REVENUE		<u>6,160,501</u>	<u>7,704,421</u>
EXPENSES			
Finance expenses	3(d)	(14,610)	(13,068)
Depreciation	3(e)	(725,666)	(733,562)
Employee benefits	3(f)	(2,766,748)	(2,773,414)
Other expenses	3(g)	<u>(2,088,457)</u>	<u>(2,331,483)</u>
TOTAL OPERATING EXPENSES		<u>(5,595,481)</u>	<u>(5,851,527)</u>
PROFIT BEFORE SIGNIFICANT ITEMS		565,020	1,852,894
Revaluation of property, plant and equipment		1,450,195	-
Salaries, wages and superannuation adjustments -prior years		<u>(150,000)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX EXPENSE		1,865,215	1,852,894
Income tax expense	4	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u>1,865,215</u>	<u>1,852,894</u>
OTHER COMPREHENSIVE INCOME			
Revaluation gain on land and buildings		<u>3,371,518</u>	<u>-</u>
TOTAL OTHER COMPREHENSIVE INCOME		<u>3,371,518</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>5,236,733</u></u>	<u><u>1,852,894</u></u>

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW  
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# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,906,718	3,374,149
Payments to trade creditors, other suppliers and creditors and employees		(4,940,681)	(5,435,782)
Bequests received		3,041,447	4,226,574
Grants received		75,000	76,000
Donations received		209,977	225,586
Interest and bank charges paid		(14,610)	(13,068)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>5</b>	<u>1,277,851</u>	<u>2,453,459</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		157,949	92,712
Payments for property, plant and equipment		(75,428)	(177,164)
Proceeds from sale of property, plant and equipment		1,364	95,454
Net transfers (to)/from term deposits		(1,403,115)	(2,569,796)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<u>(1,319,230)</u>	<u>(2,558,794)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(41,379)	(105,335)
Cash at the beginning of the financial year		<u>761,661</u>	<u>866,996</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>5</b>	<u><u>720,282</u></u>	<u><u>761,661</u></u>

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW  
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# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Retained Profits \$	Reserves (Note 12) \$	Total Equity \$
<b>As at 1 July 2013</b>	9,041,520	7,566	9,049,086
Profit for the year	1,852,894	-	1,852,894
Other comprehensive income	-	-	-
<b>As at 30 June 2014</b>	10,894,414	7,566	10,901,980
Profit for the year	1,865,215	-	1,865,215
Other comprehensive income	-	3,371,518	3,371,518
<b>As at 30 June 2015</b>	12,759,629	3,379,084	16,138,713

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW  
(a company limited by guarantee)  
A.C.N. 000 533 086

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

### 1. CORPORATE INFORMATION

The financial report of Animal Welfare League NSW was authorised for issue in accordance with a resolution of the directors on 5 November 2015.

Animal Welfare League NSW is a company limited by guarantee with each member of the company liable to contribute an amount not exceeding \$5.00 in the event of the company being wound up. At 30 June 2015 there were 2,116 members.

The company was incorporated in Australia with its principal place of business being:

1605 Elizabeth Drive  
KEMPS CREEK NSW 2178

The principal activities and objectives of the company during the financial year were:

- To promote and advance the welfare of companion animals;
- To provide shelter and care for neglected and abandoned companion animals;
- To prevent and prosecute cruelty to animals via our Inspectorate;
- To provide veterinary care to injured and sick animals;
- To promote the desexing of pets; and
- To rehabilitate and rehome animals that come into our care.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on an historical cost basis and, except where stated, does not take into account current valuations of non-current assets.

The financial statements have been prepared by combining the financial records of Animal Welfare League NSW and its branches. In preparing the financial statements, all interbranch balances and transactions and unrealised profits arising as a result of interbranch transactions are eliminated in full.

#### (b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("AIFRS") as issued by the International Accounting Standards Board.



ANIMAL WELFARE LEAGUE NSW  
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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Significant accounting judgments, estimates and assumptions

In the process of applying the company's accounting policies, management is required to make certain judgments, estimates and assumptions in relation to carrying values of certain assets and liabilities that are not readily available from other sources. These judgments, estimates and assumptions are based on historical experience and any other factors that are considered relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

#### (d) Property, plant and equipment

Plant and equipment is stated at historic cost or valuation less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing parts is incurred. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- |                       |               |
|-----------------------|---------------|
| • Buildings           | 10 years      |
| • Plant and equipment | 2 to 13 years |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement or statement of comprehensive income in the year the item is derecognised.

#### *Impairment*

Non-financial assets, other than goodwill and indefinite life intangibles, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored for indicators of impairment. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets, other than goodwill, that suffered an impairment, are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Inventories

Prior to the year ended 30 June 2015 inventories were valued at the lower of cost and net realisable value. Net realisable value was the estimated selling price in the ordinary course of business. Costs were assigned to inventory on hand at balance date using the first-in-first-out basis and were determined based on invoice prices.

During the year ended 30 June 2015 the directors made the decision to treat items of inventory as consumables items. Accordingly, from this time inventory items are written-off to the profit and loss as purchased.

#### (f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### (g) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless it is probable that the company will have the right to defer settlement of the liability for at least twelve months after the reporting date.

#### (h) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Employee entitlements

##### *Wages, salaries and annual leave*

Liabilities for wages and salaries and annual leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services to that date.

##### *Long service leave*

A liability for long service is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

##### *Superannuation*

Contributions to defined superannuation plans are expensed as incurred.

Entitlements which are expected to be settled within twelve months are measured at their nominal values using current remuneration rates. Liabilities which are expected to be settled after twelve months are measured at the present value of estimated future cash outflows in respect of services provided up to reporting date.

#### (j) Leases

Finance leases, which transfer to the company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are amortised over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of goods*

Control of the goods has passed to the buyer.

##### *Rendering of services*

Control of the right to receive payment for the services performed has passed to the company.

##### *Interest*

Control of the right to receive the interest payment has passed to the company as the interest accrues.

##### *Donations and bequests*

Income received from donations and bequests is recognised as it is received.

#### (l) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

#### (m) Taxes

##### *Income taxes*

The company is exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997.

##### *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Comparative information

Where necessary, prior year comparative information has been reclassified to facilitate comparison with current year information.

	2015 \$	2014 \$
<b>3. REVENUES AND EXPENSES</b>		
<b>(a) Operating income</b>		
Animal placements	478,253	557,409
Bequests	3,041,447	4,226,574
Boarding	348,748	325,851
Donations	209,977	225,586
Events	11,803	19,516
Fundraising	839,219	1,191,779
Grants	75,000	76,000
Memberships	31,140	19,045
Merchandise	56,861	73,649
Microchips	9,567	4,804
Op-shop	127,644	125,049
Vet fees	633,421	566,720
Other income	107,006	138,193
	<u>5,970,086</u>	<u>7,550,175</u>
<b>(b) Finance income</b>		
Interest – other corporations	<u>189,051</u>	<u>129,743</u>
<b>(c) Other income</b>		
Profit on sale of property, plant and equipment	<u>1,364</u>	<u>24,503</u>
<b>(d) Finance expenses</b>		
Interest and bank charges	<u>14,610</u>	<u>13,068</u>

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## NOTES TO THE FINANCIAL STATEMENTS

AT ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>3. REVENUES AND EXPENSES (continued)</b>		
<b>(e) Depreciation</b>		
Depreciation of non-current assets		
- Buildings	634,573	632,046
- Plant and equipment	91,093	101,516
	<u>725,666</u>	<u>733,562</u>
<b>(f) Employee benefits</b>		
Salaries and wages	2,444,398	2,542,366
Salaries, wages and superannuation adjustments		
-current year	100,000	-
Superannuation	222,350	231,048
	<u>2,766,748</u>	<u>2,773,414</u>
<b>(g) Expenses included in other expenses</b>		
Operating lease rental	<u>43,369</u>	<u>53,405</u>
<b>4. INCOME TAX</b>		
The company is exempt from income tax by virtue of Section 50-5 of the Income Tax Assessment Act.		
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	<u>720,282</u>	<u>761,661</u>

### Terms and conditions

Cash at bank and interest bearing deposits earn interest at floating rates based on daily bank deposit rates.



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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

	2015	2014
	\$	\$
5. CASH AND CASH EQUIVALENTS (continued)		

### Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	720,282	761,661
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### Reconciliation of the net profit after tax to the net cash flows from operations:

Net profit	1,865,215	1,852,894
Depreciation	725,666	733,562
Net (profit)/loss on sale of property, plant and equipment	(1,364)	(24,503)
Revaluation of property, plant and equipment	(1,450,195)	-
Interest income received and receivable	(157,949)	(129,743)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other debtors	(32,293)	45,393
(Increase)/decrease in inventory	31,722	3,236
Increase/(decrease) in trade and other creditors and provisions	297,049	(27,380)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,277,851	2,453,459

### 6. TRADE AND OTHER RECEIVABLES (CURRENT)

Trade debtors	66,331	65,140
Other receivables	86,785	55,683
	153,116	120,823

### Terms and conditions

Trade debtors and other receivables are non-interest bearing and are generally settled within 30 days.

### 7. INVENTORIES (CURRENT)

Stock on hand	-	31,722
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As highlighted in Note 2(e) above, items of inventory were written-off during the current financial year and are now expensed as purchased.

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

	2015	2014
	\$	\$
8. OTHER FINANCIAL ASSETS		
Term deposits	6,496,269	5,093,154

### Terms and conditions

Term deposits are generally taken out for periods of up to 12 months. The weighted average interest rate on term deposits at 30 June 2015 is 3.0% (2014: 3.7%).

Term deposits included above have original maturity dates of three months or more. Term deposits with original maturity dates of less than three months are included in cash for the purposes of the statement of cash flows.

## 9. PROPERTY, PLANT AND EQUIPMENT

Freehold land – at fair value	4,300,000	1,378,000
Buildings and improvements – at cost	-	3,758,123
Accumulated depreciation	-	(1,995,260)
	-	1,762,863
Buildings and improvements – at fair value	5,200,000	3,275,857
Accumulated depreciation	-	(1,176,464)
	5,200,000	2,099,393
Furniture, fittings and equipment – at cost	1,071,286	1,112,976
Accumulated depreciation	(814,938)	(768,359)
	256,348	344,617
Total property, plant and equipment	9,756,348	5,584,873

### Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial years:

<i>Freehold land – at fair value</i>		
Carrying amount at beginning of the year	1,378,000	1,378,000
Revaluation adjustments	2,922,000	-
	4,300,000	1,378,000

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

	2015	2014
	\$	\$
9. PROPERTY, PLANT AND EQUIPMENT (continued)		
<b>Reconciliations (continued)</b>		
<i>Buildings and improvements – at cost</i>		
Carrying amount at beginning	1,762,863	2,075,890
Additions	24,658	21,813
Transfers to buildings and improvements - at fair value	(1,451,349)	-
Depreciation expense	(336,172)	(334,840)
	<u>-</u>	<u>1,762,863</u>
<i>Buildings and improvements – at fair value</i>		
Carrying amount at beginning	2,099,393	2,360,819
Additions	17,237	35,778
Transfers from buildings and improvements – at cost	1,451,349	-
Transfers from furniture, fittings and equipment – at cost	30,710	-
Revaluation adjustments	1,899,712	-
Depreciation expense	(298,401)	(297,204)
	<u>5,200,000</u>	<u>2,099,393</u>
<i>Furniture, fittings and equipment – at cost</i>		
Carrying amount at beginning	344,617	397,513
Additions	33,534	119,571
Disposals	-	(70,951)
Transfers to buildings and improvements - at fair value	(30,710)	-
Depreciation expense	(91,093)	(101,516)
	<u>256,348</u>	<u>344,617</u>

### Valuations

The company's land and buildings were valued by Australian Valuations on 12 June 2015. These valuations were based upon the estimated realisable values in an open market at that date and were as follows:

• Freehold land	4,300,000
• Buildings and improvements	<u>5,200,000</u>

The directors adopted these valuations at 30 June 2015 for the purposes of the financial statements. As a result of these valuations, land and buildings were revalued upwards by \$4,821,713. Of this amount \$1,450,195 was treated as income through the profit and loss as it reversed prior revaluation decrements which were posted as an expense through the profit and loss, with the remaining \$3,371,518 posted to the asset revaluation reserve.

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

	2015	2014
	\$	\$
<b>10. TRADE AND OTHER PAYABLES</b>		
Trade creditors	320,754	379,763
Other creditors and accrued charges	130,647	86,190
	<u>451,401</u>	<u>465,953</u>

### Terms and conditions

Trade creditors, other creditors and accrued charges are non-interest bearing and are usually settled on 30 to 60 day terms.

## 11. PROVISIONS

### Current

Salaries, wages and superannuation adjustments	250,000	-
Employee entitlements	223,054	179,505
	<u>473,054</u>	<u>179,505</u>

### Non-current

Employee entitlements	62,847	44,795
	<u>62,847</u>	<u>44,795</u>

### Provision for salaries, wages and superannuation adjustments

During the financial year the company instigated a wages review, including the engagement of an external consultant to conduct a wages audit. As a result of this review it was determined that certain employees had been underpaid under the terms of their award conditions during the current and prior financial years.

The company is currently undertaking a detailed recalculation of wages since 1 January 2010, being the commencement of the modern award. It is the intention of the company to pay both current and former employees, employed during the period since 1 January 2010, any underpayment of wages and benefits at the completion of this exercise.

As at the date of this report this exercise is ongoing and the matter is expected to be completed in the near future. The directors have included in the financial statements an expense and a current provision for estimated salary, wage and superannuation adjustments amounting to \$250,000, representing \$100,000 applicable to the 2015 financial year and \$150,000 relating to prior financial years.

Until such time as the calculations are complete the exact amount will not be known. Accordingly, the actual wages adjustments required may differ from the \$250,000 provided for at 30 June 2015. Any such difference will be required to be adjusted through the company's profit and loss in a period subsequent to the end of the financial year.

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

	2015	2014
	\$	\$
<b>12. RESERVES</b>		
Asset revaluation reserve	<u>3,379,084</u>	<u>7,566</u>
<b>Movements in reserves</b>		
<i>Asset revaluation reserve</i>		
Balance at beginning of the year	7,566	7,566
Revaluation adjustments	<u>3,371,518</u>	<u>-</u>
	<u>3,379,084</u>	<u>7,566</u>

### Nature and purpose of reserves

#### *Asset revaluation reserve*

The asset revaluation reserve is used to record increments and decrements in the fair value of land and buildings to the extent that they offset one another.

## 13. DIRECTOR INFORMATION

### Directors

The directors named in the attached Directors' Report each held office as a director of the company during the year for the periods indicated in the Directors' Report.

### Remuneration of directors

Income paid or payable, or otherwise made  
available, in respect of the financial year,  
to all directors of the company:

-	<u>131,951</u>
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The number of directors during the year whose income (including superannuation contributions) falls within the following bands is:

\$0	19	11
\$1 - \$9,999	-	-
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	<u>-</u>	<u>1</u>

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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

	2015	2014
	\$	\$

### 14. KEY MANAGEMENT PERSONNEL

Key management personnel includes all directors plus the following executive personnel during the current financial year:

Jon Berkowitz – Chief Executive Officer (from 1/07/2014 to 28/08/2014)

Andrew Mason – Chief Executive Officer (from 29/06/2015)

Lindsay Rose – Acting Chief Executive Officer (from 24/2/15 to 1/07/15)

Rose Fernandes - Chief Financial Officer

- Acting Chief Executive Officer (from 29/08/14 to 24/02/15)

#### Key management personnel compensation:

Short-term	163,312	288,873
Post employment	13,632	15,509
Termination benefits	-	-
	<u>176,944</u>	<u>304,382</u>

### 15. COMMITMENTS

#### Capital Expenditure

Capital expenditure of \$Nil (2014: \$Nil) has been contracted at balance date but not provided in the financial statements.

#### Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases at balance date which have not been provided for in the financial statements are as follows:

Within 1 year	-	49,950
After 1 year but no more than 5 years	-	-
	<u>-</u>	<u>49,950</u>



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## NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2015

### 16. FINANCIAL INSTRUMENTS

#### Interest rate risk

The Company's exposure to interest rate risks, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is as follows:

	Floating Interest Rate		Fixed Interest Maturing Within 1 Year		Fixed Interest Maturing 1-5 Years		Non Interest Bearing		Average Interest Rate	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets										
- Cash assets	718,207	759,586	-	-	-	-	2,075	2,075	0.1	0.1
- Term deposits	-	-	6,496,269	5,093,154	-	-	-	-	3.0	3.7

All other financial assets and financial liabilities are non-interest bearing.

#### Credit risk

The maximum exposure to credit risk at balance date on recognised financial assets is the carrying amount, net of any provisions for losses, as disclosed in the statement of financial position.

#### Net fair values

The net fair values of financial assets and financial liabilities of the company at balance date approximate the book value as disclosed in the statement of financial position.

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2015	2014
\$	\$

### 17. ADDITIONAL INFORMATION REQUIRED UNDER THE CHARITABLE FUNDRAISING ACT 1991

#### Details of income and expenditure from fundraising appeals

##### Gross proceeds:

-Stalls	17,772	180,370
-Raffles	2,084	6,189
-Dinners	11,803	2,425
-Fundraising chocolates	1,884	9,936
-Fundraising appeal	805,676	1,012,375

##### Gross proceeds from fundraising appeals

839,219	1,211,295
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##### Total costs:

-Stalls	16,022	86,327
-Raffles	-	410
-Dinners	546	850
-Fundraising chocolates	504	3,748
-Fundraising appeal	85,425	294,962

##### Total costs of fundraising appeals

102,497	386,297
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#### Surplus from fundraising appeals

736,722	824,998
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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Animal Welfare League NSW, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with:
  - (i) the Corporations Act 2001, including:
    - o giving a true and fair view of the company's financial position at 30 June 2015 and of its performance for the year ended on that date; and
    - o complying with Accounting Standards and Corporations Regulations 2001; and
  - (ii) International Reporting Standards as made by the International Accounting Standards Boards; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

For and on behalf of the board



Director  
5 November 2015  
Sydney NSW



Director